GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:877
ANSWERED ON:28.04.2016
Investment on Solar and other Renewable Resources
Mahto Dr. Banshilal;Reddy,Kotha Prabhakar;Sivaprasad Dr. Naramalli;Sonker Smt. Neelam

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) the total investment made on solar and other renewable resources in the country including Andhra Pradesh, State-wise;

(b) the incentives given by the Government for the installation of solar panels at homes in the country during each of the last three years, State-wise;

(c) the mechanism in place for providing subsidy or other incentives for the industries which agree to set up solar power plants or which plan on investing in solar or any other renewable energy resources;

(d) whether the Government is contemplating on boosting the solar power generation in the country particularly in rural areas by the installation of more solar street lights and providing solar power connections and increase the subsidy/grants/incentives for setting up/installation of solar power panels in individual houses, if so, the details thereof along with the locations in the country on which these projects are under implementation/have been implemented, State-wise;

(e) whether the Government is making it compulsory to install solar power generating panels for newly constructed houses as a part of this drive, if so, the details thereof; and

(f) whether any role is proposed to be assigned to the private sector through incentives, if so, the details thereof?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): Most of the investment in renewable energy come from private sector. Total estimated investment in renewable energy power projects during 2015-16 assuming an investment of Rs. 6 crore per MW is around Rs. 42,000 crore.
State-wise details are given at Annexure-I
(b): Government is providing following incentives for installation of solar panels at homes in the country:
..2/-
-2-
â€¢ Fiscal incentives such as accelerated depreciation, concessional custom duty, excise duty exemptions and income tax holiday for 10 years
â€¢ Loans for system aggregators from Indian Renewable Energy Development Agency Limited (IREDA) at concessional interest rate (9.9% to 10.75% per annum)
â€¢ Under Priority Sector Lending, loans are available upto Rs. 10 lakhs for individuals and upto Rs. 15 crore for renewable energy projects
â€¢ Bank loans as a part of home loan/ home improvement loan for solar rooftop systems.
State-wise details of funds released for solar panels at home (grid connected roof top) in the country are given at Annexure-II.

(c): The Government is providing the following fiscal and promotional incentives for promoting solar industry:-
â€¢ capital and/or interest subsidy,
â€¢ tax holiday on the earnings for 10 years,
â€¢ generation based incentive,
â€¢ accelerated depreciation,
â€¢ viability gap funding (VGF),
â€¢ financing solar rooftop systems as part of home loan,
â€¢ concessional excise and custom duties,
â€¢ preferential tariff for power generation from renewables, and
â€¢ Foreign direct investment up to 100 per cent under the automatic route.
In addition power is offered at lower tariff through schemes like bundling with thermal power and VGF.
(d): Ministry is promoting Off-grid Solar PV programme for providing solar power including street lights in the rural areas of the country. There is no proposal to increase the percentage of subsidy under off-grid programme. State-wise details of Solar PV systems is given at Annexure-III.
(e): MNRE has no authority to make installation of solar power panels compulsory for newly constructed houses. MNRE has, however, been writing to State Governments to make it compulsory solar installations in newly constructed Government buildings.
(f): Most renewable energy power projects are installed with private sector involvement. The Government is providing a range of fiscal and promotional incentives for promoting solar industry. These include Accelerated Depreciation, Concessional Customs Duties and Excise Duty exemptions etc.

******